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# CENTRAL INTELLIGENCE BULLETIN

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12 JANUARY 1960

## I. THE COMMUNIST BLOC

Moscow and Peiping give divergent propaganda treatment to President's State of the Union message. ①

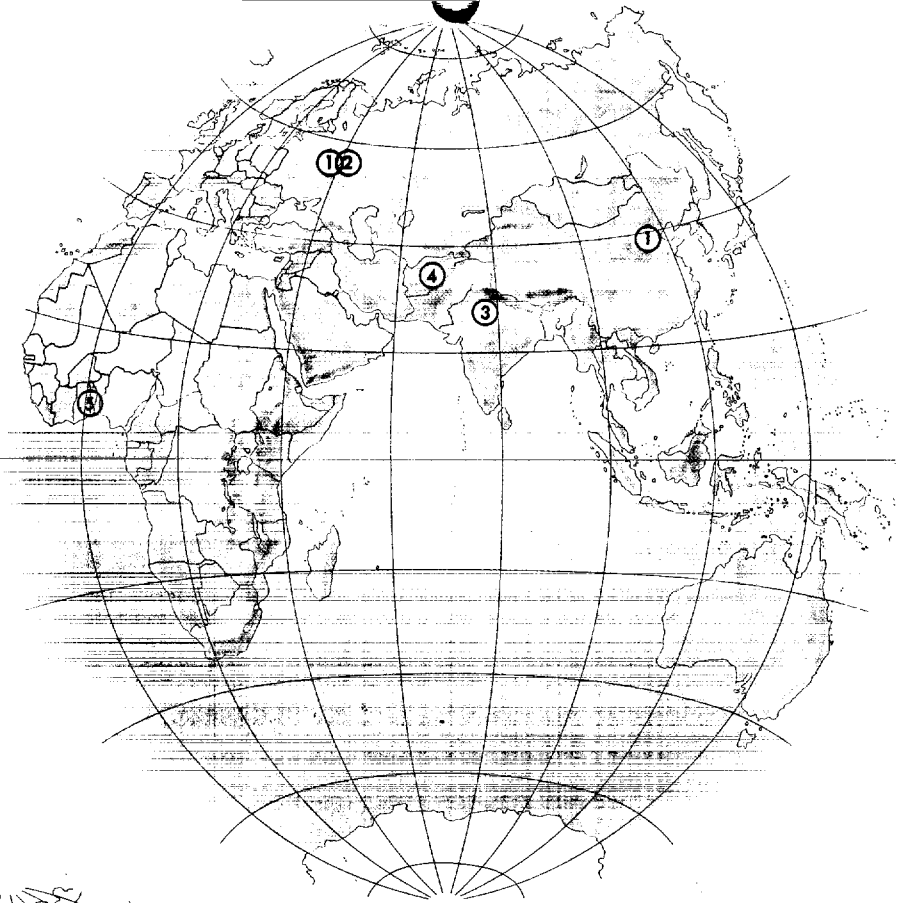
Soviet party resolution on propaganda work seen as effort to keep ideological guard up during "peaceful coexistence" campaign and to rally support for economic program. ②

## II. ASIA-AFRICA

India apparently to put additional emphasis on basic heavy industry in Third Five-Year Plan, with high priority to be given construction of fourth government-owned steel plant. ③

five Soviet "irrigation construction technicians" are coming to Kabul; Afghans may be consulting USSR on dam project for which US assistance has already been asked. ④

Ghana's first ambassador to Moscow has long record of identification with leftist-oriented elements in Nkrumah regime. ⑤

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## CENTRAL INTELLIGENCE BULLETIN

12 January 1960

## DAILY BRIEF

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## I. THE COMMUNIST BLOC

OK Bloc Comment on State of the Union Message: Moscow and Peiping have given divergent propaganda treatment to President Eisenhower's State of the Union message. Moscow has not yet commented editorially, but its extensive summaries of the speech and initial radio comment have been generally moderate and commendatory, emphasizing the President's statements of readiness to hold serious talks with the Soviet Union and minimizing critical remarks.

Peiping, on the other hand, has accused the President of "paying lip service to peace" while "brandishing missiles and nuclear arms." The Chinese charge that the speech indicates the US "has not even the minimum respect for truth," state that Eisenhower "did not give the slightest hint as to concrete steps," and discount the possibility of any serious East-West negotiations.

[REDACTED]

OK USSR: The Soviet Communist party has called for a major reshaping of domestic propaganda activities in an effort to prevent a lowering of the population's ideological guard during the "peaceful coexistence" campaign and to mobilize maximum popular support for the Kremlin's economic program. In a lengthy and wide-ranging resolution issued by the party central committee on 10 January, the party demands a closer alignment between the output of the vast propaganda machinery and the immediate political and economic objectives of the regime. The resolution, which calls attention to the increased role of persuasion under Khrushchev's rule, may be timed to coincide with abolition of the USSR Ministry of Internal Affairs (MVD), which reportedly is to take place at the Supreme Soviet session scheduled to open on 14 January.

[REDACTED]

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## II. ASIA-AFRICA

OK India: Nehru's cabinet apparently has agreed that increased long-range defense requirements resulting from the China border problem can best be met by placing additional emphasis on basic heavy industry in India's Third Five-Year Plan (1961-66). High priority will be given to the construction, with foreign assistance, of a fourth government-owned steel plant to help meet an ambitious steel production target of ten million tons a year--about four million tons a year more than the current second-plan goal. Some increase in the defense budget can be expected, in addition to substantially increased outlays for defense production facilities, strategic roads, and airstrips in border areas. (Page 1)

NO Afghanistan:

five Soviet "irrigation construction technicians" are coming to Kabul to give "advice and counsel." The timing of this development and other indications suggest that the Afghan Government may be consulting the USSR about the construction of a new diversion dam on the lower Helmand River near the Iranian border, a project on which Kabul has already requested US assistance. In view of the US decision not to undertake construction prior to a settlement of the Afghan-Iranian dispute on division of the Helmand waters, Kabul may feel it cannot count on receiving American help. (Page 3)

OK Ghana-USSR: Ghana's first ambassador to the USSR, John B. Elliott, whose appointment was announced in Moscow on 8 January, has a long record of identification with the most militant and leftist-oriented elements in Prime Minister Nkrumah's regime. A delegate to the Afro-Asian Writers' Conference in Tashkent in September 1958, Elliott was also linked that year with anti-Western individuals in Accra who urged official condemnation by Ghana of US action in the

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DAILY BRIEF

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Lebanese crisis. In a move evidently designed to offset Elliott's complete lack of diplomatic experience, and perhaps also his pro-Communist bias, a Ghana diplomat who has been serving at the UN and who appears to be pro-Western in orientation is being sent to Moscow as Elliott's assistant. [redacted] (Page 4)

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## I. THE COMMUNIST BLOC

## II. ASIA-AFRICA

### India to Meet Increased Defense Needs by Stepping Up Investment in Heavy Industry

The impact of the India-China border dispute on New Delhi's long-range economic planning is becoming increasingly evident. Lengthy cabinet discussions apparently have resulted in a decision to place additional emphasis on heavy industry, particularly steel production, during the Third Five-Year Plan (1961-66) as the best means of meeting increased defense requirements.

The goal for annual crude steel production apparently has been fixed at 10,000,000 metric tons, indicating that proponents of a less ambitious target have been overruled. The Second Five-Year Plan calls for 6,000,000 tons a year by 1961. Completion of India's three new foreign-assisted steel plants will give it this capacity, although actual production probably will not reach 6,000,000 tons by the end of the second plan. High priority will be given to construction of a fourth government-owned steel plant in order to help fulfill the third-plan target.

Substantially increased outlays for defense production facilities, probably to include manufacture of military transport and construction equipment, are planned. In addition, considerable funds will be set aside to expand development of strategic roads in border areas. For example, officials of the North-East Frontier Agency in Assam recently announced that about a million dollars will be spent during the coming fiscal year to step up the construction of roads and airstrips in this region in view of the Sino-Indian border incidents.

There will be some increase in the defense budget itself. Funds reportedly have been allocated to buy arms

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abroad, but Nehru argues that India must manufacture its own weapons. He has stressed in numerous public and parliamentary speeches that India's defense position can be improved only by strengthening the country's economic base. He apparently hopes to exploit public and official indignation over recent Chinese actions to stimulate greater efforts toward economic development.

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Afghans May Be Consulting USSR About Dam Project Near Iranian Border

[redacted]  
five Soviet "irrigation construction technicians" are coming to Kabul to give "advice and counsel." They are to be guests of the Afghan Government. The role and the indicated rank of the advisers suggest that the Afghans may be consulting the USSR about the construction of a new diversion dam on the lower Helmand River near the Iranian border, the newest major project being contemplated by Kabul.

Iran's concern that it secure a settlement in its dispute with Afghanistan over the division of the Helmand waters has apparently been heightened by Kabul's recent interest in building the diversion dam. [Daud has agreed to discuss the dispute with Iranian Prime Minister Eqbal, but] a settlement of the dispute seems unlikely at this time, since Daud has indicated that he does not intend to offer better terms than those already refused by Tehran. [redacted]

Prime Minister Daud in September 1959 asked for US assistance to build the new \$10,000,000 dam, emphasizing his determination to see the dam built. His statement of determination was apparently intended as a strong hint that he would turn to the USSR if US aid were refused. [In view of the US decision not to undertake construction without a settlement of the Afghan-Iranian dispute. Kabul may have decided to approach the USSR.] [redacted]  
[redacted]

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~~CONFIDENTIAL~~Ghana Designates Ambassador to USSR

Ghana's first ambassador to the USSR, John B. Elliott, has been associated with the most militant leftists in Prime Minister Nkrumah's regime. His appointment, announced in Moscow on 8 January, could facilitate the bloc's present efforts to extend its influence in Africa through the cultivation of sympathetic individuals within local nationalist parties and movements. The USSR's first ambassador to Accra presented his credentials last August.

Elliott, who visited Moscow en route to and from the September 1958 Afro-Asian Writers' Conference in Tashkent, has long been a militant activist within Nkrumah's Convention People's party (CPP). Two years ago he was [redacted] a member of a select, socialist-minded "study group" within the National Association of Socialist Students' Organization (NASSO)--a grouping officially described as the "ideological wing of the CPP" and reportedly regarded by the USSR as one of the most potentially fruitful targets for penetration in Ghana. During the 1958 Lebanese crisis Elliott and other anti-Western NASSO members are reported to have urged Nkrumah to condemn the action taken by the US.

On the official level, Elliott has held positions with the government's cocoa-marketing institutions and most recently served as deputy head of the Industrial Development Corporation, another important government entity. Last spring he was listed as an assistant in the office of Nkrumah's African affairs adviser.

Presumably to compensate for Elliott's lack of diplomatic experience--and perhaps also for his reported pro-Communist bias--a Ghanaian diplomat at the UN who appears to be pro-Western in orientation is being transferred to Moscow as first secretary. [redacted]

[redacted]

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**The Vice President**

**Executive Offices of the White House**

Special Assistant for National Security Affairs

Scientific Adviser to the President

Director of the Budget

Director, Office of Civil and Defense Mobilization

Director, National Aeronautics and Space Administration

Special Assistant for Security Operations Coordination

Chairman, Board of Consultants on Foreign Intelligence Activities

Special Assistant for Foreign Economic Policy

Executive Secretary, National Security Council

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The Secretary of the Treasury

**The Department of State**

The Secretary of State

The Under Secretary of State

The Under Secretary for Political Affairs

The Deputy Under Secretary for Administration

The Counselor

Director, International Cooperation Administration

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The Deputy Secretary of Defense

Assistant Secretary of Defense for International Security Affairs

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

The Chairman, The Joint Chiefs of Staff

Commandant, United States Marine Corps

The Director, The Joint Staff

Chief of Staff, United States Army

Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Assistant to Secretary of Defense for Special Operations

Director for Intelligence, The Joint Staff

Assistant Chief of Staff for Intelligence, Department of Army

Director of Naval Intelligence, Department of Navy

Assistant Chief of Staff, Intelligence, Department of the Air Force

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The Director

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**National Indications Center**

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